

## Message Text

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ACTION EA-10

INFO OCT-01 ARA-06 EUR-08 NEA-06 ISO-00 IO-04 CIAE-00

PM-03 H-01 INR-05 L-02 NSAE-00 NSC-05 PA-01 RSC-01

PRS-01 SP-02 SS-15 ACDA-05 OMB-01 AF-04 AID-05 EB-04

COME-00 AGR-05 CIEP-01 /096 W  
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P R 221130Z OCT 74

FM AMEMBASSY PHNOM PENH

TO SECSTATE WASHDC PRIORITY 8089

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMCONSUL HONG KONG

AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MONTEVIDEO

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY RANGOON

AMEMBASSY SAIGON

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

USIA WASHDC

AMEMBASSY TOKYO

AMCONSUL UDORN

AMEMBASSY VIENTIANE

AMEMBASSY WELLINGTON

USMISSION USUN

AMCONSUL CAN THO

AMCONSUL BIEN HOA

AMEMBASSY TAIPEI

CINCPAC

CINCPACFLT

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CINCUSARPAC

DIA WASHDC  
CGFMFPAC  
CGUSARSUPTHAI  
CNO  
COMNAVINTCOM  
COMSEVENTHFLT  
COMUSMACTHAI  
7/13 AF  
COMUSSAG  
III MAF  
CINCPACAF  
CTG SEVEN NINE PT FOUR

C O N F I D E N T I A L SECTION 1 OF 2 PHNOM PENH 14200

E.O. 11652: GDS  
TAGS: PINT, PINS, PFOR, MOPS, ECON, CB  
SUBJECT: KHMER REPORT -- OCTOBER 22, 1974

GENERAL

1. THE PRO-GKR UN RESOLUTION CO-SPONSORED BY 22 NATIONS HAS BEEN FORMALLY SUBMITTED TO THE UN SECRETARIAT. IT CALLS FOR NEGOTIATIONS BETWEEN THE KHMER PARTIES AND ASKS FOR ASSISTANCE IN BRINGING THESE ABOUT FROM UN MEMBERS AND THE SECRETARY-GENERAL. THE RESOLUTION FURTHER STATES THAT THE UN WILL TAKE NO FURTHER ACTION ON THE KHMER QUESTION UNTIL THE RESULTS OF THESE EFFORTS CAN BE EXAMINED AT NEXT YEAR'S UNGA SESSION. SIHANOUK REACTED PROMPTLY TO THE RESOLUTION, ASSAILING WITH PARTICULAR VEHEMENCE THE LEADERS OF THOSE ASIAN NATIONS INSTRUMENTAL IN ITS FORMULATION. THERE WAS LITTLE CHANGE ON THE INTERNAL POLITICAL SCENE, ALTHOUGH GRUNK/FUNK PROPAGANDA INDULGED IN A CERTAIN AMOUNT OF WISHFUL THINKING IN ALLEGING GKR POLITICAL DISUNITY AND DISASTROUS REPERCUSSIONS FROM THE RECENT ECONOMIC REFORM MEASURES. THE PRINCIPAL MILITARY DEVELOPMENTS TOOK PLACE ALONG ROUTES 4 AND 5, WHERE THE KC GAINED GROUND BUT SUFFERED SOME HEAVY LOSSES AS WELL. ACTIVITY AROUND PREVIOUSLY EMBATTLED SVAY RIENG TAPERED OFF, AND FANK IS REPORTED TO HAVE CONTAINED A STRONG KC ATTACK ON ONE OF ITS TASK FORCES IN THE BASSAC AREA.

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POLITICAL (INTERNAL)

2. ALTHOUGH THE INTERNAL POLITICAL SCENE REMAINED CALM DURING THE WEEK (COMMENT: WE ATTRIBUTE THIS TO THE RELATIVELY STABLE ECONOMIC SITUATION AND TO THE FACT THAT THOSE INCLINED TOWARD GREATER POLITICAL ACTIVITY ARE PROBABLY HOLDING THEIR FIRE UNTIL THE UN RESULTS ARE KNOWN), THE LOCAL KHMER PRESS FOUND CONSIDERABLE MATERIAL FOR COMMENT. OF PARTICULAR INTEREST WAS THE IMMINENT

TRANSFER OF (JUST PROMOTED) MILITARY REGION III COMMANDER MAJOR GENERAL SEK SAM IET TO A POSITION IN PHNOM PENH. SEK SAM IET WAS NOTED FOR HIS CORRUPT ACTIVITIES AND MILITARY INCOMPETENCE DURING HIS LONG TENURE IN THE WEALTHY BATTAMBANG AREA, AND THE PRESS MADE POINTED AND SARCASTIC REFERENCES TO THIS FACT. SEVERAL INSTANCES OF MILITARY DISCONTENT OVER THE ECONOMIC SITUATION WERE ALSO FEATURED BY THE PRESS, AS WELL AS LON NOL'S ORDERING A CASH GRANT IN EACH CAST TO MOLLIFY THE MUTINOUS SOLDIERS.

POLITICAL (EXTERNAL)

3. THE PRO-GKR RESOLUTION AS FINALLY AGREED UPON IN THE ASIAN WORKING GROUP HAS BEEN SUBMITTED TO THE UN SECRETARIAT FOR FORMAL CIRCULATION. IT HAS 22 CO-SPONSORS INCLUDING 12 LATIN AMERICAN COUNTRIES, EIGHT ASIAN ONES AND THE UNITED KINGDOM AND CANADA. THE ASIAN WORKING GROUP AFTER CAREFUL CONSIDERATION DECIDED NOT TO ASK THE U.S. TO BE A CO-SPONSOR.

4. THE RESOLUTION IN ITS FINAL FORM URGES THE "INDIGENOUS PARTIES DIRECTLY CONCERNED" TO HOLD TALKS IN ORDER TO ACHIEVE A PEACEFUL SETTLEMENT OF THE CAMBODIAN QUESTION; REQUESTS UN "MEMBER STATES AND THE SECRETARY GENERAL" TO HELP BRING ABOUT SUCH TALKS; CALLS UPON ALL UN MEMBER STATES TO RESPECT THE OUTCOME OF THE TALKS; AND "DECIDES NOT TO TAKE ANY FURTHER ACTION UNTIL THE RESULTS OF THESE EFFORTS ARE CONSIDERED BY THE GENERAL ASSEMBLY AT ITS THIRTIETH SESSION."

5. AT THE UNESCO 18TH GENERAL CONFERENCE IN PARIS THE GKR DECISION TO HOLD IN ABEYANCE THE SUBMISSION OF ITS CREDENTIALS (SEE LAST WEEK'S KHMER REPORT) APPEARS TO HAVE BEEN SUCCESSFUL IN PREVENTING CHALLENGE. SEVERAL NATIONS, NOTABLY THE PRC AND ALGERIA, PROTESTED AGAINST THE GKR PRESENCE AND ITS NON-PRESENTATION OF CREDENTIALS BUT THE CONCEPT OF AWAITING THE UNGA DECISION ON KHMER CREDENTIALS

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REPRESENTATION WAS GENERALLY ACCEPTED.

6. THE CREDENTIALS COMMITTEE OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAL) TRIENNIAL ASSEMBLY MEETING IN MONTREAL SAID IN ITS FINAL REPORT THAT THE CREDENTIALS OF ALL THE PARTICIPANTS, INCLUDING THE GKR, WERE IN ORDER. THE REPORT WAS ADOPTED UNANIMOUSLY BY THE PLENAR ASSEMBLY WITH RESERVATIONS BY SOME NATIONS.

GRUNK/FUNK

7 ON OCTOBER 16, SIHANOUK, AS USUAL JUMPING IN FIRST, ISSUED A STATEMENT ON THE PRO-GKR RESOLUTION IN THE UN. (TO THE BEST OF OUR KNOWLEDGE, THERE HAS BEEN NO "IN-COUNTRY" KC REACTION AS YET TO THE RESOLUTION). THE PRINCE "REFUTED" THE RESOLUTION BY ARGUING THAT THE CAMBODIAN PROBLEM IS NOT SIMPLY AN INTERNAL ONE BECAUSE

OF THE FACT OF U.S. INTERVENTION AND THAT THE GKR HAS BEEN DENOUN-  
CED BY ALL SEGMENTS OF THE POPULATION AS NOTHING BUT AN AMERICAN  
CREATION. SIHANOUK ALSO ATTACKED AT LENGTH IN EXTREMELY INTEMPER-  
ATE TERMS THE LEADERS OF JAPAN, INDONESIA, THAILAND AND THE PHILI-  
PPINES IN DENIGRATING THEIR SUPPORT OF THE GKR. (NOTE: IT ITS  
SUMMARY OF THE SIHANOUK STATEMENT, NCNA NOTABLY OMITTED THESE  
INSULTING REFERENCES TO THE ASEAN NATIONS AND JAPAN AND THEIR  
LEADERS.) SIHANOUK ALSO DURING THE WEEK, IN A MESSAGE TO YASSER  
ARAFAT, HAILED THE UN DECISION ON THE PLO AS A "TOTAL TRIUMPH".

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AMEMBASSY WELLINGTON  
USMISSION USUN  
AMCONSUL CAN THO  
AMCONSUL BIEN HOA  
AMEMBASSY TAIPEI  
CINCPAC  
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CINCUSARPAC  
DIA WASHDC  
CGFMFPAC  
CGUSARSUPTHAI  
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COMUSMACTHAI  
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CINCPACAF  
CTG SEVEN NINE PT FOUR

C O N F I D E N T I A L SECTION 2 OF 2 PHNOM PENH 14200

8. IN ITS PROPAGANDA BROADCASTS INSIDE CAMBODIA, THE OTHER SIDE CONTINUED TO HAMMER AT THE GKR ECONOMIC REFORMS. FOR EXAMPLE, A PHNOM PENH FUNK COMMITTEE STATEMENT CHARGED THAT FAMINE AND DEATHS HAVE RESULTED FROM THE GKR "FASCIST ECONOMIC MEASURES" AND ANOTHER BROADCAST CLAIMED THAT THE "RIEL IS WORTH LESS THAN TOILET PAPER". ANOTHER CONTINUING THEME ALLEGED DISSENSION AND INFIGHTING AMONG GKR POLITICAL LEADERS EMACERBATED, ACCORDING TO THE RADIO, BY THE RETURN OF LON NON. ONE TYPICAL SCENARIO HAD THE "LON NOL-LON NON CLIQUE" JETTISONING THE SON NGOC THANH-HANG THUN HAK GROUPING AND "FIERCELY FIGHTING" AGAINST THE SIRIK MATAK-SOSTHENE FERNANDEZ-CHANTARANGTSEY "CLAN".

ECONOMIC

9. RETAIL PRICES WERE AGAIN MIXED DURING THE WEEK. MOST OF THEM DECREASED: SALT 4 PERCENT, MILK 2 PERCENT, FRESH WATER FISH 5 PERCENT (WHILE OTHER FISH REMAINED STABLE), MEAT 6 PERCENT AND FRUIT 11 PERCENT. LOCAL RICE AND PL 480 RICE WERE STABLE. VEGETABLES INCREASED 14 PERCENT, SUGAR INCREASED 4 PERCENT. THE OVERALL INCREASE SINCE LAST WEEK WAS 3 PERCENT AND 26 PERCENT SINCE THE SEPTEMBER 15 REFORMS. ON MONDAY, OCTOBER 21, THE BLACK MARKET EXCHANGE RATE WAS APPROXIMATELY 1600 RIELS PER DOLLAR. ON OCTOBER 18, THE MARCHE LIBRE DES CHANGES MOVED FROM 1,280 TO 1,475. THE

NOUVEAU MARCHÉ DES CHANGES FLOOR RATE (WHICH APPLIES TO ESF IMPORTS) WAS 1,325. THE CIP PREFERENTIAL RATE FOR U.S. SOURCE  
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ITEMS WAS 1,180 RIELS PER DOLLAR WHILE THE RATE FOR NON U.S. SOURCE PROCUREMENT WAS 1,221 RIELS PER DOLLAR.

10. AS OF OCTOBER 20, PHNOM PENH RICE STOCKS AMOUNTED TO 33,075 M/T OR A 43-DAY SUPPLY BASED ON THE OFFICIAL DAILY QUOTA OF 770 M/T. THE ACTUAL DAILY DISTRIBUTION FOR THE PAST TWENTY DAYS AVERAGED 720 M/T. KOMPONG SOM STOCKS TOTALLED 3,253.3 M/T AS OF OCTOBER 17. STOCKS OF U.S. RICE IN SAIGON AWAITING SHIPMENT TO PHNOM PENH IN OCTOBER - NOVEMBER AMOUNT TO 19,945 M/T. THERE WERE NO ARRIVALS OF RICE FROM BATTAMBANG DUE TO ENEMY INTERDICTION OF ROUTE 5 NORTH OF KOMPONG CHHNANG.

11. GIVEN THE CONTINUING INTERDICTION OF ROUTE 5, A FEASIBILITY STUDY IS BEING CONDUCTED BY THE GKR'S INTERNAL TRANSPORTATION COMMISSION ON SENDING THE USAID-CHARTERED TONLE SAP FLEET TO SIEM REAP TO MEET TRUCK CONVOYS THAT WOULD DRIVE FROM BATTAMBANG VIA ROUTE 6.

12. SALT WILL BE IN GREAT DEMAND OVER THE NEXT THREE MONTHS FOR USE IN THE SEASONAL FISHING CAMPAIGN ON THE TONLE SAP AND MEKONG. USAID-CHARTERED CRAFT HAVE ALREADY DELIVERED 4,000 M/T TO PHNOM PENH FROM KAMPOT AND KOMPONG SOM, AND MORE IS TO COME OVER THE NEXT SEVERAL WEEKS.

MILITARY

13. THE KC CONTINUED TO APPLY PRESSURE ALONG ROUTE 5, AS SEVERAL SMALL OUTPOSTS EAST OF PURSAT FELL. THIS ALLOWED THE KC TO CONTROL PART OF ROUTE 5, ALTHOUGH GOVERNMENT FORCES ARE PRESENTLY ATTEMPTING, FROM TWO DIRECTIONS, TO SWEEP THE ENEMY FROM THE AREA. ON OCTOBER 20, KC TROOPS ATTACKED OUTPOSTS NEAR KOMPONG CHHNANG AS WELL, RESULTING IN ANOTHER SECTION OF ROUTE 5 REVERTING TO KC CONTROL. ON THE ENCOURAGING SIDE, FANK HAS REPORTED 300 KILLED, MOSTLY BY AIR STRIKES, IN THE COURSE OF FIGHTING AROUND FIVE OUTPOSTS SOUTHWEST OF KOMPONG CHHNANG.

14. COMMUNIST TROOPS WERE ALSO ACTIVE ALONG ROUTE 4 FORCING FANK FORCES TO WITHDRAW FROM POSITIONS EAST OF TALAT TO AVOID BEING CUT OFF. AT SVAY RIENG, HOWEVER, ENEMY ACTIVITY WAS RELATIVELY LIGHT AND GOVERNMENT FORCES MANEUVERING TO REOCCUPY POSITIONS ON THE NORTHERN PERIMETER SUFFERED ONLY LIGHT CASUALTIES. ANOTHER C-123  
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(SEE LAST WEEK'S KHMER REPORT) WAS HIT BY 12.8 MACHINE GUN FIRE FROM KC GUNNERS AS IT TOOK OFF FROM THE CITY; ONE CREW MEMBER WAS MORTALLY INJURED BUT THE PLANE MADE IT BACK TO PHNOM PENH.

15. THERE WAS LITTLE MOVEMENT ONE WAY OR THE OTHER IN THE ONGOING BASSAC OPERATION DESPITE CONSIDERABLE ACTIVITY BY BOTH SIDES. AT THE END OF THE WEEK, FANK APPEARED TO HAVE SUCCESSFULLY CONTAINED A STRONG KC ATTACK ON A TWO-BRIGADE TASK FORCE, THANKS IN LARGE PART TO EFFECTIVE AIR SUPPORT.

16. A MEKONG RIVER CONVOY ARRIVED FROM SOUTH VIETNAM WITHOUT SUFFERING DAMAGE DESPITE HAVING ENCOUNTERED TWO ATTACKS BY FIRE EN ROUTE. THE KHMER NAVY CONVOYED FOUR ROUND TRIPS TO KOMPONG CHHNANG, ONE CONVOY TO PREY VENG, ONE FROM REAM TO KOH KONG, AND ONE FROM KOMPONG CHAM TO PHNOM PENH.

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## Message Attributes

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**Copy:** SINGLE  
**Draft Date:** 22 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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